

## MANAGEMENT AND FINANCIAL SERVICES

**Mission Statement:** Department of Management and Financial Services is responsible for safeguarding the fiscal integrity of Loudoun County through the development and implementation of sound financial, human resource and assessment policies and practices.

**Department Description:** The Department of Management and Financial Services provides support to the County Administrator through the five divisions of Accounting, Assessments, Budget, Human Resources and Procurement. These divisions provide expertise in the areas of budgeting, management, human resources, financial accounting and reporting, payroll, risk management, insurance, capital financing, procurement, debt management, training, and real estate assessments as well as maintaining County land use assessments and land records.

Departmental Financial Summary	FY 02 Actual	FY 03 Actual	FY 04 Actual	FY 05 Adopted	FY 06 Proposed
<b>Expenditures</b>					
Personnel	\$6,464,770	\$6,778,189	\$6,985,498	\$7,314,000	\$8,278,000
Operations & Maintenance	2,660,228	2,469,760	2,278,947	2,359,000	3,460,000
Capital Outlay	88,998	59,124	11,960	0	40,000
Central Vehicle Fund	52,330	0	0	0	0
<b>Total Expenditures:</b>	<b>\$9,266,326</b>	<b>\$9,307,073</b>	<b>\$9,276,405</b>	<b>\$9,673,000</b>	<b>\$11,778,000</b>
<b>Departmental Revenue</b>					
Local Fees, Charges, Etc.	\$281,278	\$335,932	\$137,519	\$226,000	\$308,000
<b>Total Revenues:</b>	<b>\$281,278</b>	<b>\$335,832</b>	<b>\$137,519</b>	<b>\$226,000</b>	<b>\$308,000</b>
<b>Federal Foster Care Reimbursement*:</b>	<b>\$23,491</b>	<b>\$76,887</b>	<b>\$82,475</b>	<b>\$90,000</b>	<b>\$91,000</b>
<b>Local Tax Funding:</b>	<b>\$8,961,557</b>	<b>\$8,894,354</b>	<b>\$9,056,411</b>	<b>\$9,357,000</b>	<b>\$11,379,000</b>
<b>FTE Summary:</b>	<b>101.73</b>	<b>101.73</b>	<b>95.44</b>	<b>90.44</b>	<b>100.64</b>

\* For more information on Federal Foster Care Reimbursement Fund see page 319.

**County Administrator's Recommendation:** The FY 06 proposed budget for the Department of Management and Financial Services includes enhancements totaling 6.00 FTE and \$825,000 in additional local tax funding for two suburban appraisers, one grant specialist, one procurement systems administrator, one human resources specialist and one contract officer. Local tax funding requirements also increase by \$345,000 due to health insurance for department employees and retirees, internal services and capital outlay. In addition, the FY 06 proposed budget reflects the addition of 2.00 FTE in mid-FY 05 and the transfer of 2.20 FTE from Parks, Recreation & Community Services, Building and Development and Animal Care and Control. Management of contracted employee physicals was assigned to the department in mid-FY 05 and funding was transferred to Human Resources; the FY 06 budget is \$400,000.

### Budget History:

**FY 02:** The Board approved enhancements totaling 14.13 FTE with 6.00 FTE for appraisal staff, 3.60 FTE for human resources, 1.53 FTE for procurement staff and 1.00 FTE each for a grants writer/budget analyst, a financial analyst and a risk management coordinator.

**FY 02 Mid-Year:** 1.00 FTE was transferred from Management Services to County Administrator to create a deputy county administrator position.

**FY 03 Mid-Year:** Management Services transferred 0.25 FTE to County Administration to increase a part-time administrative support position to 60 hours per pay period and eliminated 5.00 FTE.

**FY 04 Mid-Year:** 2.00 FTE for the Internal Audit Program were transferred from Financial Services to County Administration.

**FY 05:** Three positions (3.0 FTE) were eliminated from the Human Resources Division. The Department of Management Services was combined with the Department of Financial Services to form the new Department of Management and Financial Services.

## MANAGEMENT AND FINANCIAL SERVICES

---

### **Budget History – Continued:**

**FY 05 Mid-Year:** The Board added 2.00 FTE in mid-FY 05 for Budget and Management Analysis and Financial Management and Analysis. Additionally, The FY 06 proposed budget also reflects the transfer of 2.20 FTE from Parks, Recreation & Community Services, Building and Development and Animal Care and Control for an internal investigator, a budget analyst and to increase an existing front-counter position to full time.

### **County Administrator's Proposed Enhancements**

	<b>Total Proposed Enhancements</b>			
	<b>Expenditure</b>	<b>Revenue</b>	<b>Local Tax Funding</b>	<b>FTE/Positions</b>
<b>FY 06:</b>	<b>\$825,000</b>	<b>\$0</b>	<b>\$825,000</b>	<b>6.00/6</b>

**(Real Estate Assessments)** Real Estate growth in Loudoun County continues to be dominated by suburban residential housing construction. Parcels have increased by 22.5% since 2002, resulting in a current parcel count of 98,000 versus 79,000 in 2002. Due to the continued growth rate of residential housing, these positions are needed to help ensure a quality and fair assessment process in the coming years. The real property tax is the County's chief source of revenue and is directly related to the assessment process. Currently, the County is staffed at a rate of 12,000 parcels per assessor, compared with the IAAO (International Association of Assessing Officers) standard of 5,000 parcels per appraiser. Insufficient staffing in this critical area leaves less time for appraisers to conduct field inspections and address residents' assessment concerns. This enhancement will ensure that the County will continue to be able to provide fair and accurate assessments and a reasonable projection of the real property tax base.

FY 06:	\$190,000	\$0	\$190,000	2.00/2
--------	-----------	-----	-----------	--------

**(Budget Development and Management Analysis)** A small portion (5%) of Loudoun County's General Fund revenue is derived from grants. A grant specialist (1.00 FTE) would enable departments to take advantage of available funding sources and programs to offset the cost of providing government services. The Board recommended this during the Program Budget reviews last quarter. This position will facilitate the acquisition of new grant funding from Federal, State and private sources and will ensure that all grants are properly reported and accounted. County departments are currently using the e-Civis grant publication website to examine potential opportunities. Assistance would be offered to all County departments in the identification and appraisal of potential grant resources which may not be included on this website. In addition, this position will enable staff to find additional resources for Board Initiatives, such as the Youth Initiative.

FY 06:	\$73,000	\$0	\$73,000	1.00/1
--------	----------	-----	----------	--------

**(Procurement)** This position is needed to support the procurement program through the administration of existing web-based and mainframe systems, continuance of formal training programs, and delivery of vital information online using various internal and external systems used by Procurement staff, all departments, and the vendor community. In FY 04, the County issued over \$73 million in purchase orders with the same staffing levels as FY 92, when purchase orders were around \$10 million. During this time, the increased workload has been absorbed through technology and automation, process streamlining, and delegation of small purchases (under \$50,000). This delegated authority must be backed by regular compliance reviews, which are currently done only as time permits. The addition of a Procurement Systems Administrator, (1.00 FTE) will provide the resources to perform regular compliance reviews on delegated purchases, plan and enhance systems through the use of technology, reduce operating costs by performing analysis and assessments of procurement programs and processes, improve efficiencies, and ensure compliance of all policies, procedures, and laws.

FY 06:	\$58,000	\$0	\$58,000	1.00/1
--------	----------	-----	----------	--------

**(Human Resources Management)** Continuing growth in the County government workforce has placed increasing demands on Human Resources to recruit new employees, evaluate classifications, provide policy guidance, and to mitigate employee relation issues. Projected turnover for FY 2005 will be 11.7%, up from 11.3% in FY 2004. If the proposed FY06 enhancements are approved, those positions combined with 11.7% turnover will require HR to recruit for and fill approximately 500 positions. Due to the increase in the workforce, mainly in the areas of Public Safety and Human Services, an additional Human Resources Specialist position is needed to reduce time spent recruiting new staff which will provide adequate staffing levels in areas of Public Safety, Human Services, and all County departments.

FY 06:	\$58,000	\$0	\$58,000	1.00/1
--------	----------	-----	----------	--------

## MANAGEMENT AND FINANCIAL SERVICES

---

### County Administrator's Proposed Enhancements:

**(Capital Project Management Support)** During FY 05, the County Administrator created an interdisciplinary work team to manage and re-engineer the County's capital project management practices. The team is made up of staff representatives from the Departments of Management and Financial Services, Parks, Recreation and Community Services, General Services, and Building and Development. The team's purpose is to ensure the delivery of capital projects on time and within budget. As part of this effort, the team identified a series of capital project management support enhancements which it recommended to the County Administrator for funding consideration in FY 06. The recommended project management support resources include staff and contractual services to improve capital project management planning and implementation.

A total of 14 FTE and contractual services are proposed across multiple departments to provide critical support to the County's capital programs. These positions are project managers and support staff. The number of active and planned capital projects would require 18-20 staff positions in addition to the current complement of 19, based on an industry standard of three capital and six capital asset replacement projects per project manager, and with the current load of 115 active open capital projects. This enhancement provides 11 positions to implement project management with 7 in the Department of General Services and 4 in Parks, Recreation and Community Services, and 3 positions to provide project management support in the Departments of Management and Financial Services, Building and Development and the Office of the County Attorney.

Department	Position Title(s)	Expenditures	Local Tax Funding	FTE	Comments
General Services	Project Managers	\$648,000	\$648,000	7.00	Includes two project management teams for the CIP and CARP programs.
Parks, Recreation & Community Services	Project Managers	\$262,000	\$262,000	4.00	Includes one project management team.
Management & Financial Services	Partnerships Contract Officer	\$446,000	\$446,000	1.00	Includes contract officer and contractual expenses to assist with project scope and cost review.
Building & Development	Zoning Planner	\$74,000	\$74,000	1.00	Includes one planner for County project review to include proffers.
County Attorney	Assistant County Attorney	\$99,000	\$99,000	1.00	Includes one Assistant County Attorney to support capital transactions.
<b>Total Project Management Package</b>		<b>\$1,529,000</b>	<b>\$1,529,000</b>	<b>14.00</b>	

All of the proposed enhancements are recommended to be funded in the Capital Projects Fund with local tax funding in FY 06. Staff is working on a plan for inclusion in the FY 07 capital budget to charge project management staff and resources directly to individual capital projects. Over time, this will permit direct project management costs to be charged to projects funded through other sources of financing.